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## Disease Update in Brazil

According to a letter sent by the Brazilian Ministry of Agriculture (MAPA) dated June 8, 2005, the respiratory disease affecting some broiler operations in Jaragauri, Mato Grosso de Sul state, has been identified to be non-pathogenic Newcastle disease. LANAGRO, the National Animal Agriculture Lab in Campinas, has confirmed the testing. The OIE requires a notification of Health Emergency only when the Index of Intercebral Pathogenicity (IICP) results are 0.7 or higher and the lab analysis results were 0.41.

However, LANAGRO is still investigating as the non-pathogenic Newcastle could not have caused the mortality it did on its own without other factors being involved. Further Avian Influenza tests have proven negative, and all quarantine and biosecurity measures imposed are still in effect for the area. No other farms have been infected. In May, a flock of 17,000 birds was culled after seeing high mortality rates. Newcastle disease was initially suspected, so OIE and national authorities were notified and emergency response actions were taken. There should not be any adverse affects felt by the world's largest chicken exporter, Brazil, as a result of this disease situation. Prior to this report there was some speculation over whether the disease was Newcastle disease or Avian Influenza.

Source: Watt Poultry/Various News Wires

## Avian Influenza in China

On June 10, 2005 the U.S. Embassy was notified by the General Administration of Quality Supervision, Inspection and Quarantine of the People's Republic of China (AQSIQ) of an outbreak of Highly Pathogenic Avian Influenza (HPAI) - H5N1 in geese in Xinjiang province, which is located in the Western part of China. The OIE was notified of the outbreak on June 8, 2005. The National Avian Influenza Reference Lab confirmed the disease June 7, 2005.

The infected birds were found on a backyard farm in the Tacheng district, Tacheng city in Xinjiang Uygur Autonomous Region. The Chinese Government has taken measures to control the disease such as isolation, sterilization, the culling all poultry in the infected area, disinfecting, and the vaccination of all birds around the area. There were 2,177 susceptible and 460 infected birds. A total of 13,457 birds were destroyed. The source of the outbreak is still being investigated. The disease is under control according to authorities.

AQSIQ has suspended all exports of live poultry or poultry related products from the infected area, except for heat treated processed poultry products such as cooked poultry meat, poultry meat, and bone meal; egg products like preserved eggs, salted eggs, and egg powder; down products such as down jackets, down quilts, washed down or feather complying with national standards, and poultry feather meal.

In addition, AQSIQ will be stepping up their supervision and quarantine inspection procedures of production, processing, and transportation of exported live poultry and poultry products in non-infected areas, as well as conducting more strict surveillance and control of bird flu on relevant export-oriented poultry farms. China plans to cooperate closely with the U.S. So far no quarantine measures have been taken against China's commercial poultry industry.

At present, it is unclear what impacts will be felt by China's poultry sector. Xinjiang only slaughters about 74 million birds annually, accounting for about 1 % of China's total annual slaughter. Xinjiang is not a main poultry producing province in China.

This is the second time in three weeks that China has reported to the OIE on an HPAI outbreak. On May 21, 2005, China reported an outbreak of HPAI - H5N1 in migratory waterfowl in Qinghai province, which is located in the central part of China and adjacent to Xinjiang province. After tests came back positive for H5N1, China ordered emergency measures to prevent an outbreak of AI in Qinghai province. More than 1,000 migratory birds were found dead.

Nature reserves were quickly closed, people were prohibited from visiting migratory bird habitats, and the public was told to avoid contact with poultry. Three million doses of vaccine were rushed to the area to inoculate domestic poultry and quarantine measures were put in place. Prior to this, China's last reported outbreak of AI was in June of 2004. Source: USDA FAS/OIE/Various News Wires

## Exports of Table Eggs and Egg Products from 1999-2003 in Metric Tons (MT)

	1999	2000	2001	2002	2003
Table Eggs	44,471	64,997	58,121	83,938	93,181
Liquid Eggs	2,757	2,055	1,499	2,002	3,115
Dry Whole Yolks	72	111	1,155	720	1,260

Source: FAOSTAT

## China's Poultry Meat Production, Imports, and Exports from 1999-2003 in 1,000 Metric Tons (MT)

	1999	2000	2001	2002	2003
Production	11,699	12,873	12,866	13,262	13,671
Imports	833	877	724	606	694
Exports	435	551	583	565	510

Source: FAOSTAT

## South Africa Bird Flu Update

The OIE received confirmation of South Africa's second outbreak of highly pathogenic avian influenza (HPAI) in ostriches on June 6, 2005. The last confirmation date of the disease was December 1, 2004 in the Eastern Cape Province and was reported to be eradicated and disinfecting on January 13, 2005.

Presently, the source and initial start date of the disease are unknown, and all other poultry species have tested negative thus far. The new outbreaks are located in both the Western and Northern Cape Provinces. In the Western Cape Province, 124 of the 749 ostrich farms tested positive for H5 antibodies compared to just one positive farm in the Northern Cape Province. In both cases, no direct observations were made, and all Virus Isolation and Polymerase Chain Reaction (PCR) tests had negative results. However, positive results were received from the Haemagglutination Inhibition (HI) tests. The farms were placed under quarantine and will be kept under serosurveillance and continually tested. Currently, controlled slaughter is permitted on the seropositive farms as long as the PCR tests continue to be negative.

Source: OIE

**Inspected Egg Products-U.S. & Canada Export/Import Trade****U.S. Exports to Canada, in Pounds (000) (Preliminary)**

Week Ending June 04, 2005	Year-To-Date			
TYPE	2005	2004 1/	2005 2/	2004
Liquid	409	412	5,443	4,552
Frozen	0	0	21	11
Dried	40	0	147	311
Total	449	412	5,611	4,874

**U.S. Imports From Canada, in Pounds (000) (Preliminary)**

Week Ending June 04, 2005	Year-To-Date			
TYPE	2005	2004 1/	2005 2/	2004
Liquid	17	320	2,478	2,392
Frozen	4	42	331	813
Dried	5	0	345	1,329
Total	26	362	3,154	4,534

**Inspected Shell Eggs****U.S Exports To Canada, In 30-Dozen Cases (Preliminary)**

Week Ending June 04, 2005	Year-To-Date			
TYPE	2005	2004 1/	2005 2/	2004
Jumbo	17	17	50	177
Extra Large	1,700	7,320	28,630	40,940
Large	2,300	9,100	68,994	78,543
Medium	3,210	1,500	34,440	33,966
Ungraded	4,030	10,002	58,082	136,344
Misc	0	0	5,023	12,920
Total	11,257	27,939	195,219	302,890

1/ Comparable Week, to-date figures may not total due to rounding.

2/ Includes revisions to previous week(s).

Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section

Source: USDA/AMS Poultry Programs, Market News Branch.

**U.S./Canadian Live Poultry Slaughtered Under Inspection**

W/E 4-Jun-05 (PRELIMINARY)

**U.S. Fowl Slaughtered Domestically**

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	1,450	1,363	2,813
Last Week	1,646	1,401	3,047
Same week yr ago	1,112	1,261	2,373
To-date/2005	34,032	29,977	64,009
To-date/2004	28,782	28,181	56,963

**U.S. Fowl Slaughtered in Canada**

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	284	0	284
Last Week	247	0	247
Same week yr ago	256	0	256
To-date/2005	6,361	26	6,387
To-date/2004	5,426	68	5,494

Data Source: Agriculture and Agri-Food Canada, AISD, AID, Poultry Section

**Total U.S. Fowl slaughtered in the U.S. and Canada**

	Light Hens	Heavy Hens	Total Hens
-----Thousands-----			
Head	1,734	1,363	3,097
Last Week	1,893	1,401	3,294
Same week yr ago	1,368	1,261	2,629
To-date/2005	40,393	30,003	70,396
To-date/2004	34,208	28,249	62,457

Source: USDA/AMS Poultry Programs, Market News Branch

**CENTRAL REGION MECHANICALLY SEPARATED CHICKEN**

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE CENTRAL REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

Jun 10, 2005

**CHICKEN WITH SKIN ADDED**

--- PRICES ---		---- VOLUME ----		
FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	-	26.00	61,200	-
WTD AVERAGE		26.00		
15-20%				
RANGE	26.00-29.00	18.00-26.00	1,629,600	120,800
WTD AVERAGE	27.00	21.74		
20% OR MORE				
RANGE	-	-	-	-
WTD AVERAGE				

\* INCLUDES THE STATES of AL, AR, IA, IL, IN, KS, KY, LA, MI, MN, MO, MS, ND, NE, OK, OH, SD, TN, TX, WI

**EASTERN REGION MECHANICALLY SEPARATED CHICKEN**

F.O.B. SHIPPER DOCK OR EQUIVALENT, PRICES NEGOTIATED FOR MECHANICALLY SEPARATED CHICKEN IN THE EASTERN REGION IN TRUCKLOT AND LESS THAN TRUCKLOT VOLUMES, CENTS PER POUND, DELIVERY WITHIN TWO WEEKS.

Jun 10, 2005

**CHICKEN WITH SKIN ADDED**

--- PRICES ---		---- VOLUME ----		
FAT CONTENT	FROZEN	FRESH	TOTAL	EXPORT
15% OR LESS				
RANGE	20.50	23.50-25.00	528,000	368,000
WTD AVERAGE	20.50	24.25		
15-20%				
RANGE	20.50-27.00	15.00-24.00	1,632,000	832,000
WTD AVERAGE	22.78	18.20		
20% OR MORE				
RANGE	-	19.00	120,000	-
WTD AVERAGE		19.00		

\* INCLUDES THE STATES of CT, DE, FL, GA, MA, MD, ME, NC, NH, NJ, NY, PA, RI, SC, VA, VT, WV

**NATIONAL YOUNG TURKEY PARTS AND BULK MEAT, FROZEN (UNLESS SPECIFIED), CENTS PER LB., DELIVERED FIRST RECEIVERS, PART AND FULL TRUCKLOTS AS OF 10 JUNE 2005.**

The market tone on tom drums was steady to firm, tom full-cut wings steady, tom 2-joint wings steady to barely steady and tom necks cautiously steady to steady. Some isolated concern was noted on tom drums concerning the continued upward price trend and possible demand ramifications. Demand on tom drums moderate to good, balance of tom bulk parts light to moderate. Offerings of tom drums light at best and spotty, tom 2-joint wings adequate to fully adequate, balance of tom bulk parts light to adequate. The market tone on hen 2-joint wings was firm, balance steady to fully steady. Demand active. Offerings of hen 2-joint wings short of buyers' needs, balance light at best. Some of the tightness on hen bulk parts may be due to better than anticipated grade outs in some parts of the country. The market tone on thigh meat is improved with increased offering prices noted. Some processors have increased inquiry, while others note reduced trading activity when compared to previous weeks. Trading centered on a moderately heavy volume of fresh tom breast meat for domestic shipments, balance slow to instances moderate. Increased interest was noted on fresh tom breast meat due in part to increased further processed demand. For domestic: Grade A basted 8-10 lb. breasts 115 and 12-14 lb. breasts 145, fresh scapula 107, fresh ground breast breast trim 146-149 cents delivered. For export: livers 23, mature hen wings 23.50, mature hen drums 41, fresh thigh meat 80-82 mostly 82 cents delivered.

<b>EXPORT TRADING</b>	<b>PRICE</b>	<b>L.S.T.</b>	<b>WTD AVG</b>	<b>VOLUME</b>	<b>WEEKLY</b>	<b>WEEKLY</b>
<b>FRIDAY, JUNE 10, 2005</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>	<b>PRICE</b>	<b>(000)</b>
DRUMSTICKS, TOMS	50.00		50.00	52	48.00	224
WINGS FULL-CUT - TOMS	24.00		24.00	52	24.00	52
WINGS, V-TYPE, TOM		F	40.00	208		
TAILS		T	26.00	8	26.00	8
MECHANICALLY SEPARATED 2/		R	43.00	40	45.00	80
THIGH MEAT - FROZEN	78.00-83.00		81.13	156	80.11	864

<b>EXPORT TRADING</b>	<b>PRICE</b>	<b>L.S.T.</b>	<b>WTD AVG</b>	<b>VOLUME</b>
<b>THURSDAY, JUNE 09, 2005</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>
DRUMSTICKS, TOMS		W	46.00	52
WINGS FULL-CUT - TOMS		F	24.00	208
WINGS, V-TYPE, TOM		F	40.00	208
TAILS		T	26.00	8
MECHANICALLY SEPARATED 2/	43.00		43.00	40
THIGH MEAT - FROZEN	78.00-81.00		79.22	468

<b>EXPORT TRADING</b>	<b>PRICE</b>	<b>L.S.T.</b>	<b>WTD AVG</b>	<b>VOLUME</b>
<b>WEDNESDAY, JUNE 08, 2005</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>
DRUMSTICKS, TOMS	46.00		46.00	52
WINGS FULL-CUT - TOMS		F	24.00	208
WINGS, V-TYPE, TOM		F	40.00	208
TAILS		T	26.00	8
MECHANICALLY SEPARATED 2/		T	47.00	40
THIGH MEAT - FROZEN	80.00		80.00	40

<b>EXPORT TRADING</b>	<b>PRICE</b>	<b>L.S.T.</b>	<b>WTD AVG</b>	<b>VOLUME</b>
<b>TUESDAY, JUNE 07, 2005</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>
DRUMSTICKS, TOMS	48.00		48.00	40
WINGS FULL-CUT - TOMS		F	24.00	208
WINGS, V-TYPE, TOM		F	40.00	208
TAILS	26.00		26.00	8
MECHANICALLY SEPARATED 2/	47.00		47.00	40
THIGH MEAT - FROZEN	82.00		82.00	80

<b>EXPORT TRADING</b>	<b>PRICE</b>	<b>L.S.T.</b>	<b>WTD AVG</b>	<b>VOLUME</b>
<b>MONDAY, JUNE 06, 2005</b>	<b>RANGE</b>	<b>CODE 1/</b>	<b>PRICE</b>	<b>(000)</b>
DRUMSTICKS, TOMS	48.00		48.00	80
WINGS FULL-CUT - TOMS		F	24.00	208
WINGS, V-TYPE, TOM		F	40.00	208
TAILS		F	24.83	72
MECHANICALLY SEPARATED 2/		F	45.50	80
THIGH MEAT - FROZEN	79.00-82.00		81.00	120

1/ CODES FOR LAST SIGNIFICANT TRADE (L.S.T.): M=MONDAY T=TUESDAY W=WEDNESDAY R=THURSDAY F=FRIDAY

2/ Product contains 15-20% fat with skin added.